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Global Green USA  
Written comments to the California Energy Commission  
Electricity and Natural Gas Committee  
Renewable Investment Plan Workshop  
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In Partnership with  
Green Cross International  
President  
Mikhail S. Gorbachev

Good morning Mr. Chairman, Members of the Committee. Thank you for hosting this workshop and providing an opportunity for stakeholders to participate and offer input on the development of the Renewable Investment Plan.

Allow me to provide some brief background for those unfamiliar with Global Green USA. We are a non-profit environmental organization headquartered in Southern California. As the American affiliate of Green Cross International headed by President Mikhail Gorbachev we are different than many traditional environmental organizations because we do not protest, litigate or lobby. In contrast, we work to bring disparate parties together to solve environmental problems with a mission of creating a shift in humankind's relationship to the environment. While much of that may sound esoteric, our programs reflect our commitment to putting our principles into action. One example is our effort to market green power, with the support of the Commission, over the last two years.

Let me also first speak to the crucial and invaluable role nonprofits can play in helping grow the renewable energy market and address the energy crisis at hand outside the legislative arena. Global Green USA began its work in the green power market with funding raised from our board and individual supporters – no foundation grants, no renewable generators, no government funds. Some of that, the government money and renewable generator support, came later.

GG USA's role started on the creative side of the campaign, we conceptualized and created the TV spot, the images used for the direct mail and other materials, and the website tool that was the first that was zip code driven, allowing customers to find their choices.

The commission, its staff, and its consultants do excellent work. However, once under the contract with REMB and in partnership with CEERT and CRS to promote the green market via the the Renewable Energy Consumer Education (RECE) Campaign, the non-profit partners did what most consultants would or could not do – try to get the best materials and marketing information created at the lowest possible price through donations and in-kind contributions of services.

For example, Global Green USA used various in-kind contributions donated by friends of the organization to create an effective 30-second green power commercial.

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Marshall Herskovitz (co-creator and co-producer of the TV shows thirtysomething, Once and Again, My So Called Life, etc.) donated high value production services at a fraction of the normal cost because as a friend of Global Green's and ardent environmentalist he was convinced to do so. In addition, Jordan Harris, a Global Green board member and former Sony Records executive used his marketing saavy to contribute to the development of the commercial and acquire in-kind contributions in the form of donated editing bay time. The results of all this are that the Commission received a commercial worth \$257,000 for \$55,000 that was played in media markets carefully targeted by Global Green and its Campaign partners.

This is one example of the value that non-profits bring to an effort like the RECE that other entities can not. We are successful because our supporters value our mission and commitment producing results that the Commission could not achieve on its own. However, we can not succeed on our own either in creating a vibrant renewable energy market that helps ensure reliability, a continued vibrant economy and lessens the acceleration of climate change. Commissioner Moore, other commissioners, and the CEC staff are to be commended for their vision and foresight in supporting the public education campaign that lasted nearly 18 months.

So you see, we must work in partnership to get results. Still, on our own and without funding from any source we are continuing our "Go Green Power" campaign. Our results: the City of San Jose – after a year of work with Councilmembers and staff – is moving forward with a 100% green RFP, Universal Music Group's headquarters in Santa Monica is about to put out a 100% green RFP for their over 1 MW load; and the Orange County Board of Supervisors have expressed interest in developing a green RFP with us as well. In addition, CRS has continued its business outreach, identifying businesses with a proclivity to switch and working to develop a marketing package they can use when they do. With Commission funding, all of us could continue to help build awareness and facilitate switches that build the market and renewable industry.

This leads me to the specifics we are here today to discuss regarding the Commission's plans for Consumer Education on renewable energy and emerging technologies. First, let me respond to the question listed in the agenda I received prior to the meeting, "What should the funding allocation be for consumer education?"

I have to begin by saying that I see consumer education as a fundamental component to the strength of any market, particularly one as complex as energy. Why do people buy organic food? Because they know it does not contain pesticides and they're concerned about their health and their children's future. Why do people buy recycled paper products? Because they know that by doing so they can reduce the number of trees that are cut down and help protect our environment.

People did not, and still do not wake up knowing these facts. They are messages that over the slow course of time are hammered into our heads. Of course, awareness and education levels do not act alone as motivators. Cost is an essential motivator too.



However, research has shown that higher awareness levels, particularly when it comes to environmental issues, counteract cost considerations. Resources to educate/raise awareness and provide cost competitiveness in the renewables market therefore must be expended in a strategic, synergistic fashion.

Under SB 90, the Commission provided 5.4 million dollars in funding for Consumer Education on Renewables. A portion of that amount has been split between the green market and emerging technologies. Consider this:

- Major advertising campaigns for consumer products like Coca-Cola spend hundreds of millions (if not billions) to market a single product through television, radio and other media;
- Statewide political campaigns in California have spent up to \$25 million dollars to sell a candidate – and that's not including independent expenditures or political party advertising;

Compare this with the fact that Commission spending on media/advertising efforts to market green power through the REMB contract over the last 3 years did not exceed \$500,000;

Roughly 1% of the total Renewable Energy Program Funds under SB 90 were allocated for consumer education from 1998 to the present time versus 99% for allocated to subsidize existing, new and emerging technologies and the customer credit program.

The first recommendation I would make is that the consumer education – both regarding the green power grid (e.g., cities as well as targeted business and residential customers) and emerging technologies (i.e., targeting developers, architects, and others who may be influenced to utilize these technologies) needs to be significantly increased.

While greater funding for Consumer Education would necessitate some program changes, I think the basic targets should stay the same. A combined media and public outreach campaign to local governments is essential. These entities are one of the best leverage points for change as seen through Phase One of RECE Campaign. While extensive (but relatively cheap) groundwork was laid by the Campaign partners with switches occurring in Santa Monica, Oakland, Santa Barbara, Chula Vista and elsewhere, much remains to be done. It is important to note that the work started under the RECE work is continuing – without CEC funding – in San Jose, Santa Cruz and elsewhere. These continuing efforts are the results of work started under the RECE Campaign but which took months to germinate.

In addition to funding outreach efforts local governments, funding needs to be allocated for widespread public education and media campaigns once a switch occurs. The best press in the market has occurred after a city switch – in particular Oakland and Santa Monica generated a great amount attention and confidence in the market.



However, most cities that have switched (some at a cost premium as they chose 100%) do not have funds they can allocate for television, radio, direct mail or field campaigns that help leverage the switch. If the Commission works with nonprofit partners in targeting 3 to 6 cities a year for the next 10 years with targeted media and community organizing campaigns, we would achieve results that steadily builds awareness and the market. The ripple effect in the first few years may help raise switch rates exponentially.

In addition to targeting local governments, I recommend a targeted business outreach effort similar to the local government approach. While cities may sometimes feel a public obligation to switch, businesses take a much more bottom line approach. The Campaign partners did measure success in high-profile business switches like Toyota Motor Sales, Birkenstock, Kinko's Copies and a host of others. As with our outreach to cities, our business outreach continues unfunded and the seeds that were planted last spring and summer are just now beginning to sprout results. A switch coupled with marketing and public outreach efforts may result in extensive media exposure for green power. However, this effort will be the culmination of many months of work.

To respond to the question of how the current program should interact with SB 1194, I think it in the best interests of the Commission and the public to integrate the two plans. With similar goals and funding mechanisms, separating these plans would create greater overhead costs and paperwork requirements for Commission staff. I would also recommend that the Commission release Program Opportunity Notices for Consumer Education as soon as possible so that work may continue uninterrupted. In the future, I would recommend a process that allows a seamless transition from one phase of the RECE to another to avoid lags in the program. While the non-profit commitment remains steadfast, unfunded efforts present an overwhelming challenge.

The last comment I would have is that in light of last summer's price spikes and cost increases the public awareness level is unusually high. I would recommend that the Commission take this opportunity to find ways to strategically implement a highly targeted public education campaign for emerging technologies with the CEC and PUC's efficiency programs to urge Californians to conserve and invest in renewables with their resulting savings. These two actions can help significantly reduce peak demand and the need to rush headlong into building new natural gas power plants that, while cleaner, still rely upon our dependence on fossil fuels and add to global warming.

Thank you.